

REPORT TO: COMMUNITIES COMMITTEE ON 10 JUNE 2008

SUBJECT: HOUSING INVESTMENT 2007/08

BY: DIRECTOR OF COMMUNITY SERVICES

1. REASON FOR REPORT

1.1 This report informs the Communities Committee of the position to 31 March 2008 for the Housing Investment Programme for 2007/08.

1.2 This report is submitted to Committee in terms of the Council's Administrative Scheme relating to the maintenance of the Council's housing stock

2. RECOMMENDATION

2.1 It is recommended that the Communities Committee notes the near final outturn with regards to the Housing Investment Programme for 2007/08.

3. BACKGROUND

3.1 The HRA Income

3.1.1 **APPENDIX VI** compares the level and value of Council House Sales for 2007/08 with the same period last year. In comparison with the previous financial year the total number of missives concluded was 12 lower than in March 2008 and the average selling price per property was £3,037 higher. **APPENDIX VI** also shows where sales of properties occurred during March 2008. The total number of properties sold up to March 2008 is 3 higher than the previous financial year.

3.2 Investment Programme

3.2.1 **APPENDIX I** shows the total income and expenditure within the Investment Programme for 2007/08. Spend of £8.675m was achieved to 31 March 2008. The expenditure represents 100.52% of the agreed programme level. Specific reasons for current levels of expenditure and commitment within individual programmes are shown in paragraphs 3.2.2 to 3.2.5 below. Details of any carry forward expenditure within individual programmes are also shown in paragraphs 3.2.2 to 3.2.5 below and in the appendices to this report.

3.2.2 **APPENDIX II** shows expenditure on Response and Void Repairs for 2007/08. Spend of £1.983m was achieved up to 31 March 2008. The expenditure represents 107.19% of the agreed programme level. Although the Response Repairs budget continues to be under pressure, the overspend is contained within the overall HRA budget.

3.2.3 **APPENDIX III** shows expenditure on Estate Works for 2007/08. Spend of £0.507m was achieved up to 31 March 2008. The expenditure represents 79.22% of the agreed programme level. The Garage Upgrading budget in particular is underspent due to problems in progressing projects through the

design stage. A separate report outlining problems being experienced in connection with service utility and drainage problems, particularly in connection with parking projects is being submitted to the Housing Sub Committee for consideration later this month. There is a degree of slippage in this budget which will be carried forward to 2008/09, and the effects of this carry forward expenditure on the 2008/09.

3.2.4 **APPENDIX IV** shows expenditure on Cyclic Maintenance for 2007/08. Spend of £1.022m was achieved up to 31 March 2008. The expenditure represents 103.23% of the agreed programme level. The overspend can be attributed to the requirement to replace a number of 'out of date' smoke detectors and pressures within the pre-paintwork and external paintwork budgets. This overspend has however been balanced by an underspend within the Solid Fuel Servicing budget and contained within the HRA budget.

3.2.5 **APPENDIX V** shows expenditure on Planned Maintenance and Other Investments for 2007/08. Spend of £5.163m was achieved up to 31 March 2008. The expenditure represents 100.27% of the agreed programme level. There is a degree of slippage in this budget which will be carried forward to 2008/09.

3.3 Income and Expenditure for Private Sector Housing

3.3.1 **APPENDIX VII** shows the position with income and expenditure for Private Sector Housing. As can be seen, spend to the end of March 2008 was £1.120m.

3.3.2 For 2007/08, it is only possible to draw down Private Sector Housing Grant (PSHG) for monies spent. The drawdown for 2007/08 was £0.124m less than the grant level. This is the first occasion since the introduction of PSHG that the Council has been unable to draw down its entitlement in full. This results from staffing issues during the year and at the year end. It was also affected by funding carried forward from the previous year.

3.3.3 The impact of this is mitigated by an additional grant award for 2007/2008 made to the Council in late March 2008, which can be carried forward. This amounts to £0.342m.

3.3.4 The Council has now received confirmation that the level of PSHG for 2008/09 will be £1.280m. From 2008/09, it will be possible to carry forward unspent grant to 2009/10. The Scottish Government intends to remove the ring fence from PSHG from 2010.

4. **SUMMARY OF IMPLICATIONS**

(a) **Corporate Development Plan/Community Plan/Service Improvement Plan**

This report complies with the priorities identified in the Local Housing Strategy Improvement Plan relating to the quality of the housing stock in Moray.

(b) Policy and Legal

Maintenance and Improvement works are carried out in order to meet statutory legal requirements and in accordance with current relevant policies.

(c) Resources (Financial, Staffing and Property)

The financial implications associated within this report are dealt with in paragraphs 3.1 to 3.3 above. There are no staffing implications associated with this report. The improvement and maintenance of the housing stock will ensure that it remains sustainable in the longer term both physically and environmentally. There are no European funding implications.

(d) Consultations

Consultations have taken place with the Director of Community Services, Chief Housing Officer, Housing Programmes Manager, Property Manager, Aileen Scott - Principal Solicitor (Commercial and Conveyancing), the Head of Financial Services, and the Private Sector Housing Officer, who agree with the sections of the report relating to their areas of responsibility.

5. CONCLUSION

- 5.1 Housing Investment for both the Council's housing stock and the private sector enables the Council to address the identified priorities to improve the quality of housing stock in Moray. Specifically, investment in the Council's housing stock enables the Council to achieve the Scottish Housing Quality Standard by 2015, as required by the Scottish Executive.**

Author of Report: John Macdonald, Capital Programmes Manager
Background Papers: Held on file by the Capital Programmes Manager
Ref: JMM/COM10JUNE08/HINV

INVESTMENT PROGRAMME INCOME AND EXPENDITURE - 2007/2008

31 March 2008
(all amounts in millions)

TOTAL INVESTMENT PROGRAMME

	PROJECTED BUDGET	EXPENDITURE TO DATE	% BUDGET SPENT	BUDGET BALANCE	REASONS FOR VARIANCE	COMMITMENT CARRY FORWARD TO 2008/2009
<u>Expenditure</u>						
Response & Void Repairs	1.850	1.983	107%	-0.133		0.000
Estate Works	0.640	0.507	79%	0.133	See 3.2.3 above	0.057
Cyclic Maintenance	0.990	1.022	103%	-0.032	See 3.2.4 above	0.000
Planned Maintenance - Revenue	1.380	1.320	96%	0.060		0.000
Planned Maintenance - Capital	3.120	3.265	105%	-0.145		0.000
Other Investment - Capital	0.650	0.578	89%	0.072		0.000
	£8.630	£8.675	101%	-£0.045		0.000
<u>Funded by:</u>						£0.057
HRA Revenue	4.860	4.832	99%			
Prudential Borrowing	1.578	1.541	98%			
Capital Receipts	1.312	1.152	88%			
C.F.C.R	0.880	1.150	131%			
	£8.630	£8.675	101%			

APPENDIX II

INVESTMENT PROGRAMME EXPENDITURE - 2007/2008

31 March 2008
(all amounts in millions)

RESPONSE AND VOIDS

	PROJECTED BUDGET	EXPENDITURE TO DATE	% BUDGET SPENT	BUDGET BALANCE	REASONS FOR VARIANCE
Elgin Response Repairs	0.638	0.779	122%	-0.141	
Forres Response Repairs	0.215	0.255	119%	-0.040	
Buckie Response Repairs	0.335	0.382	114%	-0.047	
Keith Response Repairs	0.212	0.212	100%	0.000	
Void House Repairs	0.450	0.355	79%	0.095	
	£1.850	£1.983	107%	-£0.133	

APPENDIX III

INVESTMENT PROGRAMME EXPENDITURE - 2007/2008

31 March 2008
(all amounts in millions)

ESTATE WORKS

	PROJECTED BUDGET	EXPENDITURE TO DATE	%BUDGET SPENT	BUDGET BALANCE	REASONS FOR VARIANCE	COMMITMENT CARRY FORWARD TO 2008/2009
Area Forum Budgets	0.195	0.183	94%	0.012		0.012
Garage Upgrades	0.050	0.005	10%	0.045	See 3.2.3 above	0.045
Asbestos	0.025	0.029	116%	-0.004		0.000
Estate Upgrades	0.120	0.122	102%	-0.002		0.000
Miscellaneous	0.250	0.168	67%	0.082		0.000
	£0.640	£0.507	79%	£0.133		£0.057

APPENDIX IV

INVESTMENT PROGRAMME EXPENDITURE - 2007/2008

31 March 2008
(all amounts in millions)

CYCLIC MAINTENANCE

	PROJECTED BUDGET	EXPENDITURE TO DATE	%BUDGET SPENT	BUDGET BALANCE	REASONS FOR VARIANCE	COMMITMENT CARRY FORWARD TO 2008/2009
Gas Servicing	0.525	0.515	98%	0.010		0.000
Solid Fuel Servicing	0.080	0.033	41%	0.047	See 3.2.4 above	0.000
Smoke Detector Servicing	0.100	0.145	145%	-0.045	See 3.2.4 above	0.000
Pre Paintwork Repairs	0.050	0.069	138%	-0.019	See 3.2.4 above	0.000
External Paintwork	0.200	0.224	112%	-0.024	See 3.2.4 above	0.000
General Servicing Contracts	0.025	0.034	136%	-0.009		0.000
Inspections/House Surveys	0.010	0.002	20%	0.008		0.000
	£0.990	£1.022	103%	-£0.032		£0.000

APPENDIX V

INVESTMENT PROGRAMME EXPENDITURE - 2007/2008

31 March 2008

PLANNED MAINTENANCE AND OTHER INVESTMENT

	PROJECTED BUDGET	EXPENDITURE TO DATE	% BUDGET SPENT	BUDGET BALANCE	REASONS FOR VARIANCE	COMMITMENT CARRY FORWARD TO 2008/2009
Kitchens and Bathrooms	1.400	1.295	93%	0.105		0.000
Central Heating	0.470	0.594	126%	-0.124		0.000
Door and Window Replacements	1.250	1.376	110%	-0.126		0.000
Sub Total (Capital)	3.120	3.265	105%	-0.145		
Rainwater Goods	0.246	0.128	52%	0.118		0.000
Insulation	0.020	0.010	50%	0.010		0.000
Roof/Fabric Repairs	0.755	0.790	105%	-0.035		0.000
Plumbing Upgrades	0.050	0.030	60%	0.020		0.000
Electrical Upgrades	0.100	0.176	176%	-0.076		0.000
Safety & Security	0.100	0.128	128%	-0.028		0.000
Fire Safety	0.041	0.009	22%	0.032		0.000
Common Stairs	0.068	0.049	72%	0.019		0.000
Sub Total (Revenue)	1.380	1.320	96%	0.060		
Disabled Adaptations	0.550	0.572	104%	-0.022		0.000
Enabling Projects	0.100	0.006	6%	0.094		0.000
Sub Total (Other Investment)	0.650	0.578	89%	0.072		
Total	£5.150	£5.163	100%	-£0.013		£0.000

COUNCIL HOUSE SALES MONITORING REPORT

APPENDIX VI

March 2008

	Total Applications	Total Offers	Total Withdrawals	Total Missives Concluded	Number Of Properties Sold	Valuation Of Properties	Income Achieved	The Moray Council Yearly Targets	Percentage Target Achieved	Average Valuation	Average Sale Price - RTB	Average Processing Time	Percentage of Sales Completed Within 26 Weeks	Percentage of Sales Completed In or Over 27 Weeks
March 2007	238	188	136 (incl 56 refusals)	132	125 RTB	£8,200,500	RTB £4,108,734	RTB £4,680,000	RTB 88%	£65,604	£32,870	20 weeks	75%	25%
March 2008	272	182	124 (incl 42 refusals)	120	128 RTB	£9,660,000	RTB £4,596,055	RTB £5,248,000	RTB 88%	£75,469	£35,907	23 weeks	75%	25%

<u>Location</u>	<u>Valuation</u>	<u>Sale Price</u>
Alves	£90,000	£48,600
Buckie	£168,000	£88,090
Cullen	£84,000	£36,120
Elgin	£527,500	£207,570
Findochty	£80,000	£50,400
Forres	£59,000	£17,700
Lhanbryde	£63,000	£18,900
Lossiemouth	£201,500	£80,600
TOTAL	£1,273,000	£547,980
7 Houses and 0 Flats	Total = 7	

2007/2008 CHS to date - 108 Houses + 20 Flats - £9,660,000 (valuation) - £4,596,055 (income)

PRIVATE SECTOR HOUSING GRANT - 2007/2008

31 March 2008
(all amounts in millions)

	Target	Spend 31/03/08	Comment
PSHG	100% spend £1.245	90% £1.120	PSHG allocation for 2007/08
Improvements to properties below Tolerable Standard	£0.381 31 cases	£0.321 9 cases	£0.417 m Legally Committed
Increase the number of properties suitable for people with disabilities	£0.251 39 cases	£0.233 19 cases	£0.262 m Legally Committed
Provide a Moray wide Care and Repair Service	£0.373 66 cases	£0.345 28 cases	£0.334 Legally Committed
Improve properties in disrepair	£0.140 32 cases	£0.140 34 cases	£0.190 Legally Committed
Provide grant assistance to private rented sector	£0.050 5 cases	£0.050 0 cases	£0.050 Legally Committed
Provide grant assistance for houses in fuel poverty	£0.030	£0.030	£0.030 Legally Committed
Housing Act Implementation	£0.020	£0.001	£0.001 Legally Committed
	£1.245	£1.120	

Notes:-
The number of cases in the spend column show completed cases only.
The spend figures in that column include completed and part completed cases.